Testimony of Larry Purdom
House Agriculture Committee Hearing
July 17, 2006
Cape Girardeau, Missouri

I'm Larry Purdom, a dairy farmer from Purdy, Missouri. My wife Alice and I operate a dairy farm milking 135 cows producing over 3,000,000 pounds of milk in the last 12 months. We have been in the dairy business for 45 years. I serve on the Southeast Area Council of Dairy Farmers of America, Inc. (DFA). I am a director on the DFA Corporate Board where I serve on the Fluid Marketing & Public Policy committee and Chair the Dairy Education Political Action Committee. DFA is a national milk-marketing cooperative based in Kansas City, Missouri with dairy farmer member owners in 48 states.

I also serve as vice president of the Barry County Farm Bureau Board and am chairperson of the Missouri Dairy Association. I am a member of the Missouri Governor's Agriculture Advisory Committee. I am also a member of the Purdy FFA board and have been recognized in the University of Missouri Hall of Honors for Dairy Leadership.

I appreciate the opportunity to testify at this hearing today.

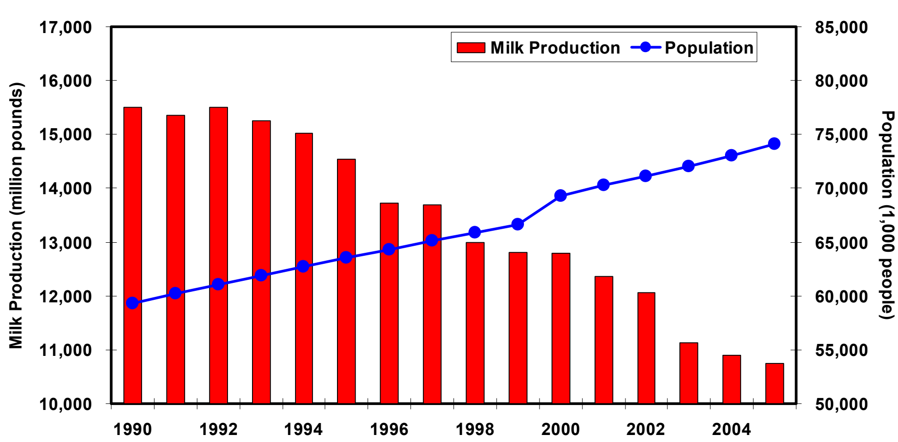
I have a written testimony document that is more detailed on all of the points that I will touch on today. I'd like to submit that document for the committee's reference. I will spend most of my time discussing some Federal Order issues that my fellow Missouri dairy farm families are most concerned about today.

While organizations that I serve have not officially established positions for all of the 2007 Farm Bill issues, I would like to share my thoughts on some of the major themes that will define the dairy sections of the bill.

1) First of all, we support continuation of the Federal Milk Marketing Order program. Marketing Orders are important to us as they under gird all of our marketing and pricing efforts all over the country. Orders assure dairy farmers a minimum price, assure that all competing milk buyers pay the same minimum price, assure that all dairy farmers share equitably in the returns of the marketplace and assure that the terms of trade are uniform throughout the Order's marketing area. These objectives remain very important ones in the dairy marketplace. Moreover, despite the claims that they are outdated and not relevant, the primary reasons for the institution of milk orders still exist: There are many more buyers than sellers and the average sized milk buyer is much larger than all but the very largest dairy farms. Milk production is still very seasonal. Milk demand has a weekly and seasonal purchase pattern that requires substantial costs to balance producer supplies with buyer demand. Individual dairymen, and even large groups of dairy farmers, continue to need the stability of Orders to deal with these marketing challenges.

Southeastern dairy farmers are in an expanding market – population in the Southeast is growing each year. However, the Southeast is a difficult and high cost area to produce milk primarily because the climate is not favorable. With high costs comes a need for a high return of break even and return profits to dairying. From the numbers of farms leaving dairying we can safely assume that many dairy farm businesses are simply not making it.

Comparison of the Southeast Population and Milk Production



Milk markets are priced based on national supply-demand situations, which are largely influenced by areas of the country that have a surplus of milk. The national situation does not necessarily reflect the needs of the Class I market; therefore, we feel the need for a separate pricing system that allows all Class I milk to be priced differently than current. Because of this situation we are suggesting a policy that would establish a floor for the Class I mover at no lower than $13.00 per hundredweight. This solution would be market based and have no additional government cost.

We are, however, becoming very frustrated in our attempts to get the Order system to recognize the increasing cost of transporting milk to market, the very real impact that fuel costs play in the transportation equation, and the manner in which these costs are not equitably shared among all producers in the federal order system. The transportation cost issues have become increasingly important because of: (1) transportation cost increases, especially for diesel fuel, and (2) "flattening" of the Class I price surface in the process of implementation of "Order Reform" by Congressional directive in January 2000. Furthermore, the large increase in production nationally seems to cloud the view of what is needed in the Southeast. The national price surface no longer recognizes the cost to transport milk adequately. This is a problem when we attempt to source milk for Southeastern consumers from out of the market or to transport it from my area to other parts of the Southeast.

The dairy farmers who supply the Southeastern markets work together thru the Southern Marketing Agency (SMA) to most efficiently deliver milk to the market. We have asked USDA to look into recovering transportation costs at an Order Hearing. Specifically we asked that the existing transportation credit system be adequately funded. This system has been in place since the late 1990's and helps to share the cost of bringing in milk supplies from outside of the Southeast into the market. In June of 2005 the Southeast had to source 58% of its sales from sources outside the Southeast. Outside purchases in August 2005 were double those needed in August 2000. The over-the-road hauling cost in 1997 when the credit was implemented were $1.75 per mile and in 2005 they have increased to $2.35. I am sure members of Congress are familiar with

diesel fuel cost changes so I don't need to provide any information about them. In 1997 this particular program offset 95% or more of the transport cost. In 2005 the reimbursement rate covered less than 40%. The volatility of fuel costs changes is nearly impossible for dairy farmers to pass thru in a timely manner.

Our proposals updated the 1997 program to levels that reflect current costs and included a fuel cost adjustor that recognized changes in diesel prices in a responsive manner. We also asked USDA to institute an additional transportation credit system that would help move milk produced inside the southeast to customers in the southeast. This new program is very much like the existing program and would be run by the Order system to insure fairness and accuracy. It would require all farms to pay the cost of getting milk to the closest plant to them and then have the market share in the cost of any additional miles. Even though the Southeast is a deficit market there are several pockets of heavy milk production. I live in one of those. But not all the milk produced in the southern Missouri can be sold there – there are not enough local bottling plants or consumers. Milk from my area regularly goes into other parts of the Southeast every day supplying markets there. Every farm in the Order, thru the blend price, shares the revenues from these sales, but not all share in the cost to get it there! Believe me, this is an important issue to southern Missouri dairy farmers and to all the rest of the Southeast.

I'd also point out that our Hearing proposals were supported by all of the major cooperatives in the Southeast who represent over 80% of the production and all of our customers. I have attached a summary of the key points that we presented to the Secretary of Agriculture in the Hearing for your review. (See attachment)

But, we seem unable to get the USDA staff to realize the dilemma we face. They seem to understand the problems that energy costs play in manufacturing dairy products and have asked for proposals to address make allowances. But when we try to get the same rationale to apply to transport costs we seem to be unable to get them to respond.

It is not for a lack for trying that we can't seem to communicate with USDA. We have made several proposals to deal with these issues in various orders with the following not-yet-successful results to date:

- **The Central Order (Order 32) - transportation credit proposals rejected in a recommended decision; final decision is pending;**
- **The Mideast Order (Order 33) - transportation credit proposals rejected in a recommended decision; final decision is pending;**
- **The Appalachian Order (Order 5) - Hearing held in January, no decision to date;**
- **The Southeast Order (Order 7) - Hearing held in January, no decision to date;**
- **The Northeast Order (Order 1) - No action has been taken upon a formal request for a hearing submitted February 3, 2006;**

If USDA fails to help dairy farmers in this dilemma we may need legislation to address this issue.

Also, while we too are frustrated with the slow pace of change thru Federal Order hearings, we are hopeful that reforms underway initiated by USDA will speed up the hearing process and make it easier to get a Decision.

2) **DFA members are participating with all the other members of the National Milk Producers Federation's Dairy Producer Conclaves to develop a consensus position on Farm Bill issues. We will keep you and your staffs informed of our efforts and seek your counsel on issues as we discuss them.**

3) **Because we do not think there will be radical shifts in policy direction as a result of the 2007 Farm Bill we support the view that an extension will work well for most of the nations dairy farm families.**

4) **We feel the next Farm Bill should maintain some form of an economic safety net for dairy farmers. Safety nets prevent prices from falling so low that businesses become**

unviable. Because dairy products are such an excellent source of nutrition for our nation and due to the high fixed cost of becoming a dairy farmer and the fact that milk production assets have limited use in any other agriculture enterprises, past Congresses have maintained safety net provisions for the dairy industry. We hope this Congress will continue these policies.

The most important safety net provision we have is the dairy price support program. We favor continued operation of the dairy price support program at a targeted $9.90 U.S. average manufactured milk price. We would oppose granting the Secretary of Agriculture any discretion, which would reorient its intended purpose away from supporting income to farmers just to result in minimizing government costs – and we may need Congress to instruct the Secretary of Agriculture of this fact in some official manner. Under President Bush's proposed Ag budget the Secretary of Agriculture would be allowed to adjust buying prices for products made from milk (cheese, butter, and nonfat dry milk) so as to reduce the cost to the CCC for products purchased. This could allow for a reduction in targeted support price from that $9.90 as specified in present legislation.

Additionally, I would request that the Commodity Credit Corporation (CCC) take action and adjust the support program purchase price levels for cheese, butter and nonfat dry milk to reflect the significant additional costs manufacturers face when selling products to the CCC. The current CCC purchase prices for dairy products do not reflect any costs beyond those incurred for commercial sales. As a result, market prices for individual products have, from time to time, fallen below support levels, allowing the price of milk used to produce them to fall below the statutory support level for milk of $9.90 per hundredweight at average test. NMPF has provided information to CCC but thus far CCC has been unwilling to take action. The result is that manufacturers will sell to buyers other than CCC at prices below the support level in order to gain a higher value than the support purchase price and the support price targets are not maintained.

Right now CCC is buying some quantity of NFDM – doing what safety nets are supposed to do. The last time milk prices fell to safety net levels was in 2000 when the average Class III price for the year was $9.74 (below the support price of $9.80 for milk of 3.5% butterfat test). The 10-year average Class III price is $12.62. Because the price support program is in place and working we hope to avoid a price crash like in 2000 – but if it wasn't around and prices did fall to that level our dairy would face a loss in income of $87,000 on an average years production. That would be hard for our business to withstand. We are very interested in stable policies that help to keep reasonable prices and a safety net that maintains some level of viability for a dairy farm family.

The second safety net provision is the Milk Income Loss Compensation (MILC) program, which we support as long as there are no caps limiting access to the benefits. Like the price support program I view the MILC program as a valuable safety net for producers pay prices. It puts cash in the hands of farmers at the very point it is needed most – the lowest point of the price cycle.

In general the guidelines for a safety net program should be that it:

- **not discriminate between farmers of differing sizes;**
- **not discriminate between farmers in different regions of the country;**
- **not be high enough to encourage additional milk production.**

The government's safety net policy should only operate at a point where a collapse of producer prices could force too many producers out of business and our nations milk-producing infrastructure would be damaged.

5) A majority, but unfortunately not all of the nations dairy farmers, have funded and are operating a self-help program – Cooperatives Working Together (CWT). Dairy farmers voluntarily pay 10 cents per hundredweight on all milk produced in order to structure the size of the nations dairy-cow herd and more closely tailor milk supply to demand.

Additionally, the program works to assist exports of dairy products in an attempt to market and promote domestically produced dairy products to the world.

However, the CWT program is not intended to replace federal farm programs and can never do so because there will always be those who choose to take advantage of the programs benefits but never pay their share. Even after three years of successful implementation there are still over 25% of the country's dairy farms that choose not to pay in. In spite of our success we still need Congress's help in providing policy support to our industry.

6) **Dairy Farmers also see policies outside of the Farm Bill impacting their future such as:**

Environmental Policies

Increasing the funding for the Environmental Quality Incentives Program (EQIP) in the 2002 Farm Bill was very significant, but if the legislation is to meet its goals and encourage more farmers to apply for and use the funds as intended, the payout ration must more closely approximate real world conditions.

I urge you to join the more than 170 House members cosponsoring HR 4341 as part of a bipartisan effort to clarify that animal manure is not a hazardous waste under the Superfund law or its counterpart, the Community Right-to-Know Act. Congress should clarify that it never intended to jeopardize American agriculture by imposing strict, joint, several, and retroactive CERCLA liability on farmers for their traditional farming practices, including the use of manure as a beneficial fertilizer.

My family has always taken our responsibility to protect the environment very seriously. Dairy farmers and other agricultural producers for years have been regulated and required to have permits under the Clean Water Act, Clean Air Act

and numerous state laws and regulations – but never under the Superfund Law. It is essential that Congress protect farmers and businesses that depend on agriculture from this potential threat to their livelihoods.

Workable Immigration Laws

I support the AGJobs Provisions contained in the Senate version of the Immigration Reform and I ask your support for passage of legislation that contains such language.

Estate Tax issues

Ways & Means Chair Thomas (R-CA) has proposed a compromise on the estate tax issue. He proposes to set several levels of taxes on estates. Estates of $5 million (singles)--$10 million (couples) would be exempt from taxation indefinitely. Tax on estates of $10 million to $25 million would be taxed at the capital gains rate (15% currently & rising to 20% in 2011). Estates worth more than $25 million would be taxed at twice the capital gains rate. This proposal appears to be very good for dairy farmers and I would encourage your support.

7) Another reason we support extending the current Farm Bill is so that we can have a more clear view of the Doha Round of the WTO trade talks. We can see no reason to change our programs until we know what the world trade rules will be and more importantly perhaps who will play by them.

- We support multilateral trade talks that level the playing field of dairy export subsidies, tariff protections, and domestic support programs.
- We can't support a final agreement unless it represents a net increase in our ability to compete against our more heavily subsidized and protected competitors

in the EU, Canada and Japan, as well as more balanced trading opportunities with key developing countries.

- **We support the continuation of the dairy price support program with or without a successful Doha Round. We strongly disagree with those who claim that the price support program must be phased out or eliminated upon completion of the Doha Round.**
- **We support additional legislation to make the import assessment for dairy promotion (15 cent check-off) WTO-compliant by extending it to dairy producers in Alaska, Hawaii, District of Columbia and Puerto Rico.**

8) We support the Dairy Export Incentive Program (DEIP) and the requirement that the Secretary of Agriculture be directed to see that the allowable amounts of cheese, butter and nonfat dry milk be afforded export assistance equal to what we are allowed under the current WTO agreement. Currently no government export assistance is being offered, even though, by law, the Secretary is directed to do so, and by agreement we are allowed to do so under the WTO agreement.

In closing, Chairman Chambliss, I want to thank the Senate Committee on Agriculture, Nutrition and Forestry for having this series of field hearings. We know we can't explain all of our concerns here in detail but want to make you aware of them so that when we do provide you with additional details you will better understand our concerns. I will be happy to answer any questions, or provide any additional information that you might want.

Attachment

BACKGROUND INFORMATION:

Federal Milk Marketing Hearing to Address Problems Supplying the Southeast

Together the cooperative proponents—Arkansas Dairy Cooperative, Association Dairymen's Marketing Cooperative, Inc., Dairy Farmers of America, Inc., Lone Star Milk Producers, Inc., Maryland & Virginia Milk Producers Cooperative Association, Inc.— market in excess of 80 percent of the producer milk pooled on the Appalachian and Southeast Orders.

THE ISSUE

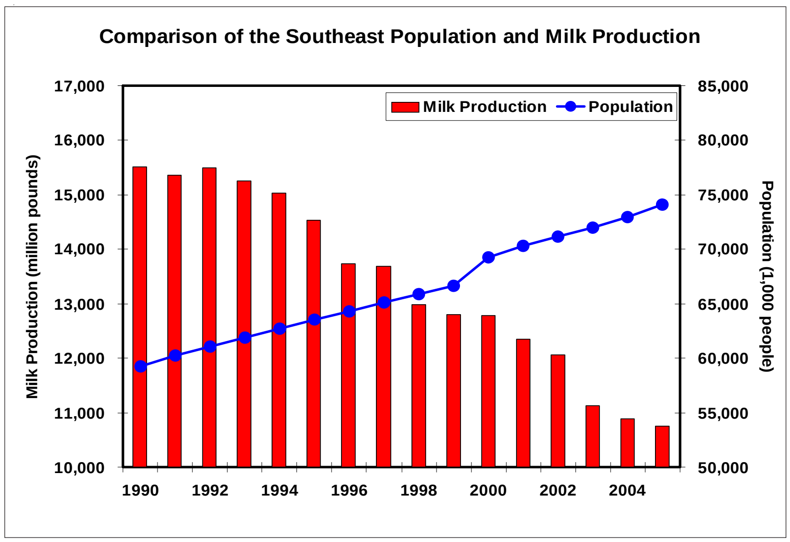
The costs of producing and supplying milk to markets in the Southeast have risen excessively and the energy cost component in the supply costs is so volatile that dairy farmers are asking the Federal Order system to help them recover these costs in a fair and equitable manner. From January 10 to 12, 2006 we participated in a hearing to documents the following:

- Extraordinary movements of milk required to meet the Class I needs of these markets, both from within and outside the marketing areas;

- The huge increases in transportation expense and the volatility of transportation costs related to diesel fuel prices in particular;

- The disorder that is inherent in un-shared transportation expenses for Class I use;

- The finely tuned proposals put forth by these proponents for addressing these marketing issues.



Congress adopted what is now § 8c(5)(J) of the Agricultural Marketing Agreement Act, 7 USC 608c(5)(J), in §133 of the Food Security Act of December 23, 1985. That section authorizes the milk orders to contain provisions for transportation cost sharing programs in Orders. The existing transportation program was adopted under this legislation in 1996, revised in 1997 and functions today largely as enacted 10 years ago. However, the program today is grossly under funded.

What Was Requested:

Proposal 1 would (1) increase the maximum rate of assessment for the transportation credit-balancing fund in Order 5 to a maximum of $0.15 per hundredweight; and (2) increase the maximum assessment for the transportation credit-balancing fund for Order 7 by $0.10 to a maximum of $0.20 per hundredweight.

Proposal 2 would install new intra-order transportation credit provisions to both Order 5 and Order 7. The new credit program would establish a maximum $0.10 per hundredweight of Class I milk rate in Order 5 to fund this transportation credit fund, and would establish a maximum rate of $0.15 per hundredweight of Class I milk rate in Order 7 to fund the intra order transportation credit fund.

Proposal 3 would amend the mileage reimbursement factor for use in both the existing (1) and the proposed (2) transportation credit payment provisions of Orders 5 and 7, updating the mileage rate and including an automatic diesel fuel cost adjuster.

BACKGROUND

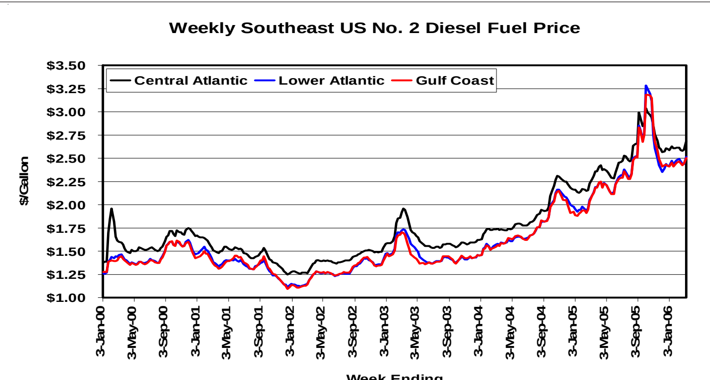
Milk Movement in the Southeast

The need for increasing volumes of supplemental milk for the Southeast was well documented at the Hearing. Data prepared by the Market Administrator showing monthly comparisons from 2000 to date for the pounds of supplemental milk volumes on which transportation credits have been claimed show:

July 2000: 31.7 million pounds	July 2005: 107.7 million pounds;
August 2000: 64.8 million	August 2005: 137.8 million;
September 2000: 78.3 million	September 2005: 117.8 million;
October 2000: 75.7 million	October 2005: 127.9 million;
November 2000: 66.9 million	November 2005: 98.1 million.

The distances milk traveled varied from 578 to 627 monthly average miles in 2000; while in 2005, the monthly averages had increased to a range of 682 to 755.

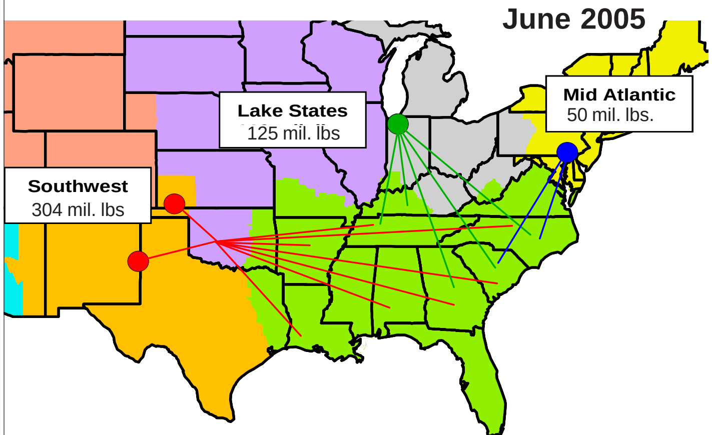
We proposed a base rate for fuel adjustment using October and November 2003 when diesel fuel prices were relatively stable. When nationally diesel prices averaged



Diesel fuel prices have risen sharply and continue to show volatility.
The gross costs for transporting supplemental milk has tripled since 2000.

Over-the-Road Hauling Costs: 1997 - $1.75 per mile; 2005 - $2.35 per mile

Sources of Actual Supplemental Milk Supplies Moved to the Southeast
June 2005



June 2005 total sales for SMA was 1.003 billion pounds; supplemental milk was 58%. Milk comes from several sources and delivers to many markets in the Southeast. Supplemental milk shipments rose over 200% between 2000 and 2005. Order 7 dairy farms produce only 63% of the Order 7 Class I needs; the rest must be imported.

$1.48 per gallon with $1.42 to $1.43 prevailing in the lower Atlantic and Gulf Coast Energy Information Administration regions. Using this period of relative stability in diesel fuel prices, proponents proved that the hauling rate charged in the southeast during that time was approximately $1.91 per loaded mile. Proponents offered the base period of October and November 2003 with hauling costs of $1.91 per loaded mile and diesel fuel costs in the applicable regions of $1.42 to $1.43 per gallon as the rates from which fuel adjustments would be made assuming usage of the rate of 5.5 miles per gallon. The Hearing record showed that the gross cost of supplemental milk supplies for Order 7 has tripled since 2000 due in part to the increased cost of transporting supplemental milk. Because the amount of funds in the transportation credit-balancing fund is essentially fixed and the cost to transport milk is increasing dramatically, the percentage of costs supported by the fund continues to shrink and is shrinking at an increasing rate.

"The additional hauling costs, which are not reflected in the Orders' blend prices, are not shared by all the producers who enjoy the blend price that results from marketwide pooling."

Secretary's decision Chicago Order 1990

The volumes of deliveries required from supplemental supplies to the Southeast can be gleaned from the pooling data in the Orders. October 2005 in Order 7 is a good example. In that month the market's total needs for Class I were 437.9 million pounds. The total in-area production equaled only 273.8 million pounds. In other words, gross in-area production was only 62.5% of total Class I needs. When the total need of distributing plants for milk (bottling plants in the Southeast typically average about 86.5% Class I) is considered (to say nothing of seasonal and daily balancing needs), the extraordinary deficit of local supply for Class I needs is plainly evident. The Order 5 comparable figures are only a bit less grim.

More milk for more miles requires more funding for the supplemental supplies.

The record as a whole provides overwhelming support for Proposals 1 and 3. There was limited opposition in these proposals at the hearing and no evidence was offered which challenged the basic factual underpinnings of these proposals: that increased volumes of supplemental milk are required for Class I in the southeast; that the cost of transporting milk has increased since 1997; and the miles that the milk must move to meet the needs of the southeast have increased.

There are two basic issues to be addressed in updating the existing transportation credit balancing fund in Orders 5 and 7: first, a need for additional funds for those provision requires an increase in the maximum rate of assessment in both orders; and second, the increases in the cost of transportation dictate a need to update the rate of reimbursement and provide some automatic updating of the volatile fuel costs factor in the reimbursement formula. Together, these two changes within the structure of the current transportation credit program will restore that fund to an operational level equivalent to that which was originally intended by the secretary.

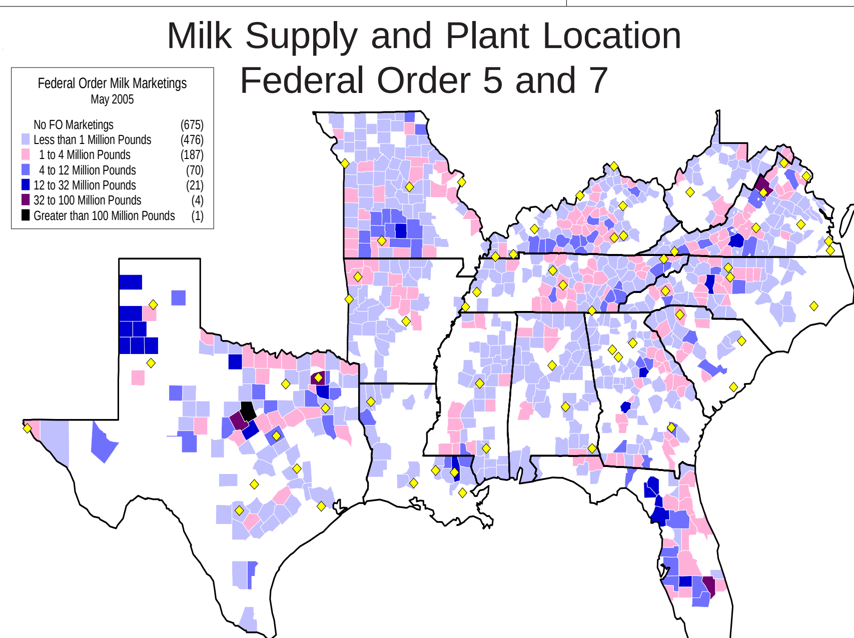
Three factors go into the amount of transportation costs reimbursed through these funds: (1) the volume of supplemental milk delivered; (2) the distance the supplemental milk is delivered; and (3) the cost per loaded mile of delivery.

Not only have the milk volumes needed increased, but the milk must be hauled an average of 20% further at a cost of 32% more per mile than the cost incurred when program was established in 1996. These figures are not subject to dispute; they were, in fact, not controverted at the hearing; and, we respectfully submit, the data mandate that these important provisions providing for orderly equitable marketing in the southeast be updated.

In 1997, the cost per loaded mile for over the road hauling was $1.75 to $1.80 per loaded mile. Based on summaries of actual hauler bills to cooperatives during October 2005 the Hearing record showed that cost today is approximately $2.35 per loaded mile.

- 42 distributing plants in the region
- 6 distributing plants potentially have available to them more than 200% of their needs in nearby counties
- 8 distributing plants have potentially available between 100% and 200% of needs in nearby counties
- 2/3 of the plants, a total of 28, have less than their total needs available nearby
- 1/2 of the plants in the region have less than 50% of the milk that they require located in nearby counties

More simply put, plants and producers are not located near each other and milk must travel substantial distances to supply the needs of most distributing plants in the region. However, it also shows that a small handful of plants will be able to be fully supplied with inexpensive local deliveries.



Each diamond represents a plant location. Counties with dark blue produce the most milk and those in lightest blue, the least. Many counties have no milk production. Few plants are located in counties with milk production.

Milk supplies are not located convenient to milk plants. 80% of Southeast milk supplies must deliver to a plant that is not the closest to their farm, averaging 47 extra miles per delivery and 20¢ per cwt. greater cost.

For Order 5, the Market Administrator determined that in April and October 2005, the weighted average miles beyond the nearest distributing plant which milk subject to credit would travel was 44 miles in April 2005, and 41 miles in October 2005. Those distances represent about an additional $0.20 per hundredweight of hauling expense for producers supplying these plants. In other words, the producers in the Order who were able to deliver to the nearest plant had one hauling cost; while the producers who delivered to more distant plants had, on average, an additional hauling expense of $0.20 per hundredweight, over and above any price adjustments established in the Orders for the movement of milk from farm to market.

The data in Order 7 are similar, but even starker in the inequity revealed. In April 2005, 284.5 million pounds of milk was delivered and would have been subject to the proposal to credits. The total in-area production in April 2005 was 353.1 million pounds; fully 80% of the milk in area was delivered beyond the nearest distributing plant. These deliveries were at an average of 49.62 miles with, in essence, no assistance from the location adjustments of the Order. The result is that 80% of the producers in the Order have hauling expense on average $0.22 per hundred weight more than the 20% of producers who are able to deliver to the nearest distributing plant in the Order.

As the Secretary has previously stated: "the additional hauling costs, which are not reflected in the Orders' blend prices, are not shared by all the producers who enjoy the blend price that results from marketwide pooling." (52 FR 38241 10/15/07) These Orders, because of the mismatch within the geographical area of supply and demand, have a built in two class system among producers: those advantaged producers who are able to deliver to a nearby distributing plants; and the majority of producers who must deliver their milk a longer distance to a demand point at a substantial price disadvantage.

As a consequence of this structural mismatch in supply, demand, and Class I pricing, there is, in essence, a two-class system of producers in Orders 5 and 7: The select and privileged minority of producers who are able to deliver to a local plant; and the balance of the market, the majority of producers, who must deliver to distant demand points without compensation under the order for the cost of delivering that milk resulting in a net return to them of at least $.20 to $.25 per cwt. less than their neighbors . At the same time, the handlers fall into the same classes: those few handlers who are favored with a local supply, on the one hand, and the remainder of the handlers who must arrange for their supplies to be imported from wherever supplemental supplies may be found, inside or outside the marketing areas, again without assistance from the location adjustments in the Order.

Proposal 2 allows the Secretary to fund the transportation credits in the manner that he deems appropriate, which could include:

- No costs from the pool under any circumstances (the current system for funding the supplemental milk program);
- All costs from the pool (the current system found appropriate in Order 30);
- Any combination of the two revenue sources (proponents having advanced one combination program which would allow pool expenditures with a limit).

This gives the Secretary total flexibility in how to structure funding the credit.

CONCLUSION

A similar program has been used in the upper Midwest Order for more than 15 years to help fund milk movement within the market and provide an equitable solution for sharing the costs between producers.

As the Secretary recognized in the Order 30 decision, when the location adjustments in the Order do not cover the transportation to Class I plants (either because the amount of the location adjustment is inadequate or because the milk is moving in a direction which is against the grid of location prices, both of which conditions existed in Order 30 in 1987), there is inequity among both producers and handlers and disorder in the marketplace. That same situation is without question present in Orders 5 and 7 here as the record so plainly demonstrates.